Consumer Perceptions of a Sponsor's Corporate Social Responsibility Activities

Yoseph Mamo, Louisiana State University
Jeffrey James (Advisor), Florida State University
Kwame Agyemang (Advisor), Louisiana State University

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Sponsorship of sport properties accounts for approximately two-thirds of all sponsorship expenditures (“IEG Sponsorship Report,” 2014). The global sponsorship sector increased from $51 billion in 2014 to $60 billion in 2016 (“IEG Sponsorship Report,” 2016). Given such expenditures, it is no surprise organizations have increasingly shifted to sponsorship as a marketing communications vehicle in the hopes that the goodwill consumers feel toward the cause will transfer to their image (Madrigal, 2001). Additionally, researchers suggest there is a link between social initiatives and an organization’s improved financial performance (e.g., Davis, 1960; Arlow & Gannon, 1982; Ullmann, 1985; McGuire et al., 1988; Waddock & Graves, 1997; Margolis et al., 2003). Contemporary literature about sports sponsorship has provided vital insight into its unique potential for organizations and revealed relevant success factors (e.g., Walliser, 2003; Cornwell, Weeks & Roy, 2005). For example, benefits may be related with involvement in communities: “Sponsors are perceived to be ‘good corporate citizens’ who are giving something back to the sport at the same time as advertising their own name” (Walliser, 2003, p. 22). The aim of this study was to better understand stakeholder perceptions’ of sponsors, specifically perceptions about the sponsors’ CSR activities, and the potential impact of such perceptions on a sponsor’s image.

CSR initiatives have the potential to offer strategic direction to managers who want to enhance their companies’ performance and competitiveness (Breitbarth & Harris, 2008). For instance, Pegoraro, O’Reilly, and Lavallet (2009) explained that involvement in CSR initiatives could be a powerful marketing tool that can build and shape a corporation’s reputation and provide for differentiation in a crowded marketplace, thereby providing a competitive advantage. Relatedly, CSR behaviors allow organizations to take an active approach in developing and sustaining a desirable corporate image (Levy, 2004). As an example, Brown and Dacin (1997) found that firms including CSR initiatives had a favorable consumer perception in relation to both product and overall corporate evaluation. However, though social responsibility has become increasingly prevalent in the sport industry (Walker & Kent, 2009), there has been limited research on sport sponsors’ strategies associated with CSR and its impact on attitude towards a sponsor and sponsor’s image. The following hypotheses were tested to address the gap in the literature regarding sport sponsors’ CSR strategies and the effect on consumers’ attitudes toward the organization.

H1: Knowledge of sport related CSR activities positively increases a sponsor’s image in the mind of consumers.
H2: Knowledge of sport related CSR initiatives positively increase a consumer’s attitude toward the sponsor.

The sample for this study consisted of N=108 students from a large university in the southeastern United States. The convenience sample was comprised of 57% males and 43% females. The present study represents a quasi-experimental pre- and post-test control group design. Participants were assigned to one of three groups. After completing the pre-test questionnaire, participants in all three groups watched a video clip. A fictitious company was introduced, and participants were provided excerpts about the company’s background information, sponsorship trend, and/or CSR activities. Group 1 (n=34) was presented with information about the company, including background information. They were also provided information about the company’s participation in sport sponsorship, as well as information about the company’s involvement in CSR activities. Group 2 (n=32) was provided the company’s background information, and information about the company’s involvement in sponsorship; no CSR information was provided for this group. Group 3 (n=32) only received the company’s background information. Items measuring consumers’ attitude toward the sponsor were adapted from Mackenzi and Lutz (1989). Items adapted from Alexandris et al. (2007) were utilized to measure consumers’ perceptions of the sponsor’s image. SPSS 22.0 was used for descriptive statistics and univariate analysis of variance, and AMOS 21.0 was used for confirmatory factor analysis (CFA).
The CFA results provided evidence of the data to the model ($\chi^2/df = 1.554$, RMSEA = .079, CFI = .981, SRMR = .044). All factor loadings were significant ($p < .001$; ranged from .70 to .96). The ANOVA revealed no statistical significant difference at the pre-test stage for all the groups. The post-test assessment revealed a statistically significant difference in the dependent variables: attitude toward the sponsor, $F (2, 87) = 10.11$, $p = .000$, ($\omega^2$) = .189; and sponsor’s image, $F (2, 87) = 7.54$, $p = .000$, ($\omega^2$) = .148. Follow-up analyses with Tukey’s post hoc test were conducted and based on the mean score for Group 1 (CSR & sponsorship) ($M = 5.2$, $SD = .97$) was significantly different from the mean score of Group 2 (sponsorship) ($M = 4.48$, $SD = 1.04$); and Group 3 (company information) ($M = 4.12$, $SD = 1.04$) regarding attitude toward the sponsor ($p = .001$). There was also a significant difference between groups pertaining to the sponsor’s image, the mean score for Group 1(CSR & sponsorship) ($M = 4.93$, $SD = .84$) was significantly different from the mean score of Group 2 (sponsorship) ($M = 4.36$, $SD = 1.1$) and Group 3 (company information) ($M = 4.03$, $SD = .73$) ($p = .001$).

The current study was an initial attempt to examine whether there were differences among consumers’ attitudes toward the sponsor, and perception of sponsor image based on a company’s sport related CSR activities and sponsorship. The findings provide evidence that a significant difference existed among groups pertaining to attitude toward the sponsor and perceptions regarding the sponsor’s image. The results provide evidence that addition of information about CSR-related activity can strengthen further a positive attitude toward the sponsor. Increasing awareness and enhancing corporate image have been considered two main objectives of sponsorship (Yoshida, James, & Cronin, 2013). Furthermore, Trail and James (2012) asserted that, “awareness involves being exposed to and recognizing stimuli” (p. 209). By providing the information to the individual, the individual can process the information and form perceptions (Trail & James, 2012) about the sponsor. Participants reported a more positive attitude toward the sponsor and sponsor’s image due to the information provided.

Fostering a positive attitude toward a sponsor is an important strategy for organizations because attitude toward an object could predict behavioral intention, which has been supported by previous studies (e.g., Close et al., 2006; Kim, 2010; Martensen et al., 2007). More specifically, sport related CSR activities within the organizations could substantially influence consumers to generate positive attitude toward the sponsor. Furthermore, adding sport related CSR activities parallel to sponsorship activities would positively impact the consumer’s perception of goodwill toward the sponsor. In sum, the research findings contribute to the body of knowledge of sport CSR utilization in the context of sponsorship. The results provide management with implications for strategic decision making in understanding consumers’ attitudes toward a sponsor and building sponsor’s image in the minds of consumers.